

Message Text

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63

ACTION XMB-01

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 EB-03 FRB-01

INR-10 NSAE-00 RSC-01 TRSE-00 OPIC-02 SP-02 CIEP-01

LAB-01 SIL-01 OMB-01 DRC-01 /041 W

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R 091305Z OCT 74

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 8403

INFO USDOC WASHDC

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FOR EXIMBANK

E.O. 11652: N/A

TAGS: EIND, EINV, BEXP, AR

SUBJECT: GENERAL MOTORS LOCOMOTIVE LOAN

REF STATE 216937

1. LOCAL HEAD OF GENERAL MOTORS (GM) LOCOMOTIVE DIVISION VISITED EMBASSY TO INFORM US ABOUT PRESENT STATUS OF THE GM LOCOMOTIVE PROJECT IN ARGENTINA. HE SAID THAT THEY WERE PLEASED WITH CONVERSATIONS RECENTLY HELD WITH EXIMBANK CONCERNING RESCHEDULING OF CREDITS AND GUARANTEES. HE ADDED THAT THESE CONVERSATIONS, PLUS CONVERSATION AMBASSADOR ORFILA HAD AT EXIMBANK, MADE THEM VERY HOPEFUL THAT NEW REPAYMENT SCHEDULE PROPOSED BY FERROCARRILES ARGENTINOS WOULD BE ACCEPTABLE TO EXIMBANK, MAINTAINING TERMS AS IN ORIGINAL LOAN CONTRACT AND COMPRESSING PAYMENTS INTO SAME PERIOD AS THE ORIGINAL CONTRACT (ENDING 1986).

2. GM REPRESENTATIVE TOLD US THAT FIAT, WHICH FOUGHT HARD TO OBTAIN THIS PROJECT 4 YEARS AGO, IS ATTEMPTING TO UPSET THE CONTRACT ALTHOUGH IT HAS NOT MADE ANY FIRM OFFER TO FERROCARGOLES. WE HAVE HEARD FROM OTHER SOURCES THAT FIAT OF ITALY IS HOPEFUL THAT, TOGETHER WITH TIS SUBSIDIARY IN ARGENTINA, IT MAY

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BE ABLE TO CUT GM OUT OF A LARGE PART OF THE LOCOMOTIVE BUSINESS,

AT LEAST ENGINE MANUFACTURING.

3. AS DEPARTMENT AND EXIMBANK ARE AWARE, THE ITALIANS ARE VERY TOUGH (AND FREQUENTLY UNETHICAL) COMPETITORS IN ARGENTINA. IF EXIMBANK RESTRUCTURING OF THESE CREDITS AND GUARANTEES RESULTS IN MARKEDLY LESS ADVANTAGEOUS TERMS FOR FERROCARRILES, THIS WILL GIVE FIAT A BIG OPENING WHICH IT CAN BE EXPECTED TO EXPLOIT TO THE MAXIMUM. DECON 10/8/74.
HILL

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Message Attributes

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Current Classification: UNCLASSIFIED
Concepts: ROLLING STOCK, BANK LOANS
Control Number: n/a
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Draft Date: 09 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740287-0133
From: BUENOS AIRES
Handling Restrictions: n/a
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ISecure: 1
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30 JUN 2005

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To: STATE
Type: TE
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